

**AMENDMENT TO H.R. 1480, AS REPORTED
OFFERED BY MR. HILLEARY OF TENNESSEE**

At the end of title V of the bill, add the following:

1 **SEC. 585. ENVIRONMENTAL ASSISTANCE PROGRAM, TEN-**
2 **NESSEE.**

3 (a) ESTABLISHMENT OF PROGRAM.—The Secretary
4 may establish a program for providing environmental as-
5 sistance to non-Federal interests in Tennessee.

6 (b) FORM OF ASSISTANCE.—Assistance under this
7 section may be in the form of design and construction as-
8 sistance for water-related environmental infrastructure
9 and resource protection and development projects in Ten-
10 nessee, including projects for wastewater treatment and
11 related facilities, water supply and related facilities, and
12 surface water resource protection and development.

13 (c) PUBLIC OWNERSHIP REQUIREMENT.—The Sec-
14 retary may provide assistance for a project under this sec-
15 tion only if the project is publicly owned.

16 (d) PROJECT COOPERATION AGREEMENTS.—

17 (1) IN GENERAL.—Before providing assistance
18 under this section, the Secretary shall enter into a
19 project cooperation agreement with a non-Federal
20 interest to provide for design and construction of the
21 project to be carried out with such assistance.

1 (2) REQUIREMENTS.—Each agreement entered
2 into under this subsection shall provide for the fol-
3 lowing:

4 (A) PLAN.—Development by the Secretary,
5 in consultation with appropriate Federal and
6 State officials, of a facilities development plan
7 or resource protection plan, including appro-
8 priate plans and specifications.

9 (B) LEGAL AND INSTITUTIONAL STRUC-
10 TURES.—Establishment of such legal and insti-
11 tutional structures as are necessary to ensure
12 the effective long-term operation of the project
13 by the non-Federal interest.

14 (3) COST SHARING.—

15 (A) IN GENERAL.—Total project costs
16 under each agreement entered into under this
17 subsection shall be shared at 65 percent Fed-
18 eral and 35 percent non-Federal. The Federal
19 share may be in the form of grants or reim-
20 bursements of project costs.

21 (B) CREDIT FOR DESIGN WORK.—The
22 non-Federal interest shall receive credit for the
23 reasonable costs of design work completed by
24 such interest before entering into the agreement
25 with the Secretary.

1 (C) CREDIT FOR CERTAIN FINANCING
2 COSTS.—In the event of a delay in the reim-
3 bursement of the non-Federal share of a
4 project, the non-Federal interest shall receive
5 credit for reasonable interest and other associ-
6 ated financing costs necessary for such non-
7 Federal interest to provide the non-Federal
8 share of the project's cost.

9 (D) LANDS, EASEMENTS, AND RIGHTS-OF-
10 WAY.—The non-Federal interest shall receive
11 credit for lands, easements, rights-of-way, and
12 relocations provided by the non-Federal interest
13 toward its share of project costs (including
14 costs associated with obtaining permits nec-
15 essary for the placement of such project on
16 publicly owned or controlled lands), but not to
17 exceed 25 percent of total project costs.

18 (E) OPERATION AND MAINTENANCE.—The
19 non-Federal share of operation and mainte-
20 nance costs for projects constructed under an
21 agreement entered into under this subsection
22 shall be 100 percent.

23 (e) APPLICABILITY OF OTHER FEDERAL AND STATE
24 LAWS.—Nothing in this section shall be construed as
25 waiving, limiting, or otherwise affecting the applicability

1 of any provision of Federal or State law that would other-
2 wise apply to a project to be carried out with assistance
3 provided under this section.

4 (f) REPORT.—Not later than December 31, 2002, the
5 Secretary shall transmit to Congress a report on the re-
6 sults of the program carried out under this section, to-
7 gether with recommendations concerning whether or not
8 such program should be implemented on a national basis.
9 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
10 authorized to be appropriated to carry out this section
11 \$10,000,000.

Conform the table of contents of the bill accordingly.